



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 5, 2004

H.R. 854 **Belarus Democracy Act of 2004**

*As ordered reported by the House Committee on International Relations
on February 25, 2004*

SUMMARY

H.R. 854 would authorize programs to promote democracy, human rights, and the rule of law in Belarus. The bill would authorize appropriations for 2005 and 2006 for assistance to organizations that are committed to support free and fair elections, democratic parties and organizations, and an independent media within Belarus. In addition, the bill would authorize appropriations to continue U.S. broadcasting to the people of Belarus. Such programs are currently being funded under more general authority. CBO estimates that implementing the authorized programs of assistance and broadcasting would cost \$23 million over the 2005-2009 period, assuming the appropriation of the necessary amounts. H.R. 854 would not affect direct spending or receipts.

The bill would encourage the President to impose certain sanctions against the government of Belarus until he could certify that certain conditions have been met. The conditions include the release of political prisoners, free and fair elections for President and Parliament, and an end to harassment of independent media, unions, nongovernmental and religious organizations, and other persons and groups within Belarus. The sanctions include the denial of visas to Belarusian officials and their families; the prohibition of credits and investment assistance from the Export-Import Bank (Eximbank), the Overseas Private Investment Corporation (OPIC), and the Trade and Development Agency (TDA); and opposition to any financing from international financial institutions except for humanitarian assistance. CBO estimates that implementing the sanctions would not significantly affect the federal budget.

H.R. 854 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 854 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs). The estimate assumes that the bill will be enacted late in 2004, that the estimated authorizations will be provided in annual appropriation acts, and that outlays will follow historical spending patterns.

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Belarus						
Budget Authority ^a	9	0	0	0	0	0
Estimated Outlays	11	7	3	1	1	0
Proposed Changes						
Estimated Authorization Level	0	9	9	2	2	2
Estimated Outlays	0	3	6	7	4	3
Spending Under H.R. 854 for Belarus						
Estimated Authorization Level ^a	9	9	9	2	2	2
Estimated Outlays	11	10	9	8	5	3

a. The 2004 level is the amount appropriated for that year.

BASIS OF ESTIMATE

The bill would authorize the appropriation of such sums as may be necessary for fiscal years 2005 and 2006 to promote democracy in Belarus. It would also authorize such sums as may be necessary in 2005 and subsequent years for broadcasting to Belarus. Under current law in 2004, the U.S. government will obligate \$9 million for activities addressed by the bill—grants of \$7 million under the authority of the FREEDOM Support Act to support nongovernmental organizations that advocate human rights and democracy within Belarus and grants of nearly \$2 million from the Broadcasting Board of Governors to Radio Free Europe/Radio Liberty for broadcasting to Belarus. For the purpose of the estimate, CBO assumes that activity under H.R. 854 would be similar to that undertaken in 2004. Projected funding, therefore, is at the 2004 funding levels adjusted for inflation in the years covered by the bill.

Currently, the Eximbank, OPIC, and TDA do not offer financing for exports or investments in Belarus. Therefore, CBO estimates that the sanctions urged by H.R. 854 would not affect their operations. CBO estimates that the other sanctions urged by the bill would not significantly affect the federal budget.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 854 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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